

Employment

JSEC NEWS

PERFORMANCE EVALUATIONS

**The
More
You
Know**

An organization's greatest asset is its people. The success of an organization depends upon the contributions of its employees. Employees must know what is expected of them and how they are measuring up to those expectations in order to make effective contributions. They need to know what they can do to improve performance in their present jobs and to prepare themselves for more responsibility.

Are employee performance evaluations worthwhile? Done correctly they can empower your people to effectively contribute to the success of your organization, and they can help you stay out of legal trouble. However, done incorrectly, they can spell disaster. Positive results include the following:

- * **Improved Employee Performance**
- * **Improved Communications**
- * **Protection from Wrongful Discharge Suits.**

The basis for effective performance evaluations is good communication. This begins with a good job description for each employee. From most job descriptions you can extract 6-8 major responsibilities and further break these down into important objectives for success. If possible, limit the objectives to concrete, measurable areas of performance. If you must consider subjective standards, consider how they relate to the job. Is the weight you're giving these factors proportionate to their impact on performance? Is there a more objective way to measure performance? If you're going to make subjective judgments on an employee, take the time to list a few concrete examples of how you expect him or her to be "more aggressive" or to show "better leadership qualities." If you can't provide examples, perhaps you shouldn't be making these judgments. Keep in mind that these are the kinds of questions courts ask in discrimination suits involving subjective evaluations.

Focus on the following:

- ▷ **How the employee is doing the job**
- ▷ **How the employee can better do the job; and**
- ▷ **How the employee can work toward realizing long-term goals.**



It's a good idea to have both the supervisor and the employee rate the importance of each category on the evaluation. Together they can discuss their ratings to establish what skills and abilities are most important. When possible allow employees to contribute to setting the performance standards they will be asked to meet. Their participation encourages cooperation, understanding and motivation. Consider and include such areas as:

✿ **QUALITY OF WORK**—neatness, accuracy, organization and thoroughness.

✿ **QUANTITY OF WORK**—numbers and quantity standards set for the job and the ability to meet deadlines.

✿ **WORK HABITS**—time management, dependability, attendance, punctuality, safe working habits and initiative.

Ratings can be as simple as outstanding, satisfactory, and needs improvement OR exceeds expectations, meets expectations and unacceptable.

Involvement of all staff in performance evaluations is another alternative. These types of evaluations gather feedback from all levels (superiors, peers and subordinates) and can provide information to identify training needs, teamwork strengths and weaknesses, and other areas of concern that may have gone unnoticed. It can also instill a sense of responsibility in employees to cooperate with each other no matter what their status is in the organization.

Some guidelines to adhere to with employees rating superiors are the following:

- must be anonymous
- should be done at a time other than around the employee's evaluation date
- criteria must reflect the factors employees have knowledge of and are capable of rating, and employees should be asked only to rate individuals with whom they have frequent and significant contact.

LEGISLATIVE SUMMARY

Several bills of particular interest to the business community include:

Effective FEBRUARY 19, 2001—House Bill 194: Revises the language relating to overtime and minimum wage exceptions for outside sales positions to confirm with the Federal Labor Standard Act. Outside sales employees are exempt from overtime and minimum wage laws.

Effective MAY 1, 2001—House Bill 463: Provides that an individual who leaves work or is discharged because of circumstances resulting from domestic violence can receive unemployment benefits. However, the unemployment benefits will NOT be charged to the employer's account.

Effective OCTOBER 1, 2001—Senate Bill 229: States that it is not marital status discrimination to hire a person's spouse.

New hires after OCTOBER 1, 2001—Senate Bill 4: Clarifies that during the probationary period of employment, employment may be terminated at the will of either the employer or the employee on notice to the other for any reason or for no reason. It also states that if an employer does not establish a specific probationary period, or provided that there is no probationary period prior to or at the time of hire, there is a probationary period of 6 months from the date of hire. While this law implies that you can terminate a probationary employee for "any reason or no reason", you cannot do so in violation of your written personnel policies, or in violation of other laws.



WAGE PAYMENT ACT

WHEN AN EMPLOYEE SHOULD BE PAID

- Within ten (10) days after they are due and payable while the employee is still employed
- If the employee **quits**, wages are not due until the next pay day for the period in which the employee was separated or 15 days, whichever occurs first. This applies to public sector, private sector, and employers from within the state of Montana as well as employers whose payroll originates outside the state of Montana
- If an employee is **laid off**, or **discharged**, all wages are due immediately unless the employer has a pre-existing, written personnel policy that extends the time for payment. The wages cannot be delayed beyond the next pay day for the period in which the separation occurred, or 15 days, whichever occurs first.
- In the case of an employee discharged for allegations of theft connected to the employee's work, an employer may withhold the value of the theft provided: (1) the employee agrees in writing to the withholding or; (2) charges have been filed with law enforcement within seven days of separation. If no charges are filed with a court of competent jurisdiction within 15 days of the filing of the report with law enforcement, the wages are due within 15-day period. If the employee is found not guilty of the charges or the employer withholds in excess of the value of the theft, the court may order the employer to pay the withheld amount plus interest.
- Limits withholdings of wages to room, board, and other incidentals furnished by the employer as part of the employment agreement (39-3-204, MCA)
- Wages cannot be withheld for shortages, damages or mistakes (Attorney General Opinions #17, Volume 36 and #25, Volume 11)
- Provides a penalty for failure to pay wages when due and payable in an amount up to 110 percent on wages not paid as specified above (39-3-206 MCA)



FREE 5-IN-1 MANDATORY POSTERS

If you are unsure what posters you need to post in your business, the following federal posters are required:

- Equal Employment Opportunity
- Family Medical Leave Act (Employers with 50 or more employees in a 75-mile radius)
- Federal Minimum Wage (must be displayed on an employee bulletin board)
- Job Safety and Health (OSHA)
- Polygraph (does not apply to public employers)

In addition to the above-mentioned federal posters, employers are required to post proof of Unemployment Insurance coverage and Workers' Compensation coverage. You receive posting notices when you submit the paperwork for Unemployment Insurance and Workers' Compensation coverage.

If you would like a free copy of the new 5-in-1 mandatory poster, please contact June Littlefield, Business Advocate, Lake County Job Service Workforce Center, 883-7883.

Other Newsletters

Volume 1

Child Labor Laws/Job Application Inquiries

Volume 2

Employment Retention/Tips on Providing & Checking References

Volume 3

Job Descriptions

May download at:

jsd.dli.state.mt.us/local/polson

Or call June Littlefield 883-7883



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